



Health Care Financing Trends

Fall 1980

Information through June 1980 on:

- National Health Expenditures
- Community Hospital Statistics
- Health Care Prices
- Employment, Hours, and Earnings of Health Workers
- National Economic Indicators

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Health Care Financing Trends

The Health Care Financing Administration (HCFA) was established to combine health financing and quality assurance programs into a single agency. HCFA is responsible for the Medicare program, Federal participation in the Medicaid program, the Professional Standards Review Organization program, and a variety of other health care quality assurance programs.

The mission of the Health Care Financing Administration is to promote the timely delivery of appropriate, quality health care to its beneficiaries—approximately 47 million of the nation's aged, disabled, and poor. The Agency must also ensure that program beneficiaries are aware of the services for which they are eligible, that those services are accessible and of high quality, and that Agency policies and actions promote efficiency and quality within the total health care delivery system.

HCFA's Office of Research, Demonstrations, and Statistics (ORDS) conducts studies and projects that demonstrate and evaluate optional reimbursement, coverage, eligibility, and management alternatives to the present Federal programs. ORDS also assesses the impact of HCFA programs on health care costs, program expenditures, beneficiary access to services, health care providers, and the health care industry. In addition, ORDS monitors national health care expenditures and prices and provides actuarial analyses on the costs of current HCFA programs as well as the impact of possible legislative or administrative changes in the programs.

Trends contains tables and analyses highlighting economic developments in the health care sector. Each quarter recent data are presented on:

- national health expenditures, by type of service and source of funds;
- community hospital statistics, measured by the American Hospital Association;
- consumer price indexes, measured by the Bureau of Labor Statistics;
- employment, hours, and earnings of health workers, also from the BLS; and
- a variety of national economic indicators, such as the Gross National Product and the aggregate rate of unemployment.

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Section A. National Health Expenditures and Related Measures

During the twelve months ending June 1980, national health expenditures were \$227.7 billion, up 13.7 percent from the same period one year earlier (Table A-1). Annual growth in national health expenditures began to increase during the year ending September 1979, while annual growth of the Gross National Product (GNP) decreased, so that by the year ending June 1980, health care spending was equal to 9.2 percent of the GNP, compared to 9.0 percent in calendar year 1979.

These estimates of health care spending have been compiled by staff members of the Office of Research, Demonstrations, and Statistics, and are comparable to estimates of calendar-year spending published in the *Health Care Financing Review* [Gibson, 1980]. Data for the year ending March 1980 have been revised slightly to reflect more recent information. Although the estimates are based on the latest data available, they should be regarded as preliminary.

Components of Total Expenditures

Annual growth rates of the various components of national health expenditures were not uniform. Personal health care expenditures—covering the direct provision of health care—experienced a rapid increase in growth after 1978, reaching a rate of 14.5 percent in the year ending June 1980. Expenditures for hospital care were \$92.1 billion, a 14.8 percent increase from the previous year, extending an upward trend which began in the year ending September 1979. Combined expenditures for physicians' services, dentists' services, and other professional services were \$63.2 billion, 14.6 percent more than in the previous year. Nursing home expenditures increased 17.4 percent, to \$19.3 billion. Spending for other types of personal care—for drugs, eyeglasses, and so on—reached \$28.1 billion, an annual growth of 11.4 percent.

Expenses for prepayment and administration—\$8.3 billion during the year ending June 1980—have a history of oscillation. The fluctuation in expenditures is attributable to the category's more volatile component—prepayment, the difference between premiums earned and claims incurred by health insurers. Prepayment expense had been growing rapidly from very low levels in 1975-1976, dipped in calendar year 1978 and again in the year ending March 1980, and appeared to begin another growth period.

Expenditures for research and for construction of medical facilities were \$10.3 billion, up 7.2 percent from the previous year. Expenditures for government public health activity—\$6.4 billion—continued to exhibit diminishing growth.

Personal Health Care Expenditures

In the twelve months ending June 1980, personal health care expenditures were \$202.7 billion (Table A-2). These figures imply an expenditure of \$898 *per capita* for health care, including \$408 for hospital care and \$193 for physicians' services (Table A-3). Expenditure *per capita* was \$106 higher than in the previous year, an increase of 13.5 percent.

As shown in Table A-4, about three-fifths of personal health care expenditures were funded through private channels—private health insurance, philanthropy, industrial programs, and direct consumer payments. The Federal government funded about 29 percent of the total, and State and local governments the remaining 12 percent. Public sources accounted for more than half of the payments for hospital care and for about a quarter of the payments for other personal health care.

Much of the growth in personal health care expenditures can be explained by inflation. For example, of the 14.8 percent growth in expenditures for hospital care (Table A-1), 11.4 percent is attributable to price inflation (Table C-1). The remaining growth can be explained by changes in utilization and intensity of care (where "intensity of care" is defined as a composite of types and amounts of resources used per unit of service, changes in technology, quality of care, and so on). Applying the same type of analysis to each of the service types within its definition,¹ the growth of spending for personal health care after adjustment for price inflation was roughly unchanged from calendar year 1979 (Table A-5). An increase in the rate of growth of real (price-deflated) expenditures for hospital care offset slight decreases in the real growth of spending which is sensitive to the business cycle—for example, spending for dentists' services, for eyeglasses, and so on. (Evidence of the increases in the real growth of hospital care expenditures appears in the utilization data in Section B.)

¹ The categories of personal health care, and the price index used to deflate expenditures in each category, are: hospital care (National Hospital Input Price Index); physicians' services (Consumer Price Index [CPI] for physicians' services); dentists' services (CPI for dentists' services); other professional services (CPI for medical professional services); drugs and medical sundries (CPI for medical care commodities); eyeglasses and appliances (a combination of the CPIs for miscellaneous medical professional services and for eyeglasses); nursing home care (National Nursing Home Input Price Index); and miscellaneous personal health care (CPI for medical care). For further information about these prices, see Section C. For a discussion of the composite price measures, see Gibson (1979, 1980).

Composite measures of price inflation for personal health care spending indicate how much price inflation had increased during the year ending in June 1980 (Table A-5). The fixed-weight price index was 10.3 percent higher than in the year ending June 1979. This index excludes the effects of shifts in utilization—for example, shifts from hospital care to nursing home care—and is a better measure of “pure” price inflation. The implicit prize deflator, which does take into account shifts in utilization, was 10.5

percent higher than in the previous year. About seven-tenths of the growth in personal health care spending was due to price change, as had been true since mid-1977. Population growth accounted for less than a tenth, and the remaining two-tenths of growth in personal health care expenditures is attributed to net changes in intensity and to shifts in the types of services purchased.

(For further information on national health expenditures, see Gibson [1980].)

Table A-1. National Health Expenditures, by Type of Expenditure

Type of Expenditure	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Amount (billions)							
Total	\$159.1	\$179.1	\$200.3	\$206.0	\$212.3	\$219.5	\$227.7
Health services and supplies	149.9	169.8	190.7	196.3	202.4	209.3	217.4
Personal health care	139.1	157.1	177.1	182.6	188.6	195.6	202.7
Hospital care	63.5	71.8	80.2	82.6	85.3	88.9	92.1
Physicians' services	29.4	34.0	38.0	39.3	40.6	42.0	43.5
Dentists' services	10.0	11.2	12.7	13.2	13.6	14.1	14.7
Other professional services	3.4	3.8	4.4	4.5	4.7	4.9	5.1
Drugs and drug sundries	13.3	14.6	16.2	16.6	17.0	17.4	17.9
Eyeglasses and appliances	3.4	3.6	4.2	4.3	4.4	4.5	4.6
Nursing home care	12.1	13.9	16.4	17.1	17.8	18.5	19.3
Other personal health care	4.0	4.2	4.9	4.9	5.2	5.4	5.7
Prepayment and/or administration	6.8	7.9	7.9	7.8	7.8	7.5	8.3
Government public health activity	4.1	4.8	5.7	5.9	6.0	6.2	6.4
Research and construction	9.2	9.3	9.6	9.7	9.9	10.1	10.3
Research	3.7	4.1	4.4	4.5	4.6	4.7	4.8
Construction of medical facilities	5.5	5.2	5.1	5.2	5.3	5.4	5.4
Addenda: Gross National Product (GNP)	\$1,792.0	\$2,004.3	\$2,254.1	\$2,313.4	\$2,368.8	\$2,426.0	\$2,473.9
National health expenditure as a share of the GNP	8.9%	8.9%	8.9%	8.9%	9.0%	9.0%	9.2%
Annual Percentage Change							
Total	13.4	12.6	11.8	12.0	12.5	12.8	13.7
Health services and supplies	13.9	13.3	12.3	12.5	13.0	13.1	14.0
Personal health care	12.0	13.0	12.7	12.8	13.2	13.9	14.5
Hospital care	12.8	13.1	11.8	11.9	12.5	13.9	14.8
Physicians' services	11.3	15.6	11.8	12.6	13.4	14.0	14.4
Dentists' services	13.8	11.6	14.0	14.4	14.4	14.7	15.0
Other professional services	17.4	11.7	15.1	15.3	14.9	15.2	15.6
Drugs and drug sundries	9.0	9.8	10.7	11.2	10.4	10.4	10.2
Eyeglasses and appliances	8.7	7.4	16.0	12.8	10.3	9.9	8.4
Nursing home care	13.3	15.2	18.1	18.1	17.9	17.4	17.4
Other personal health care	6.8	6.0	15.5	13.2	12.9	14.6	17.7
Prepayment and/or administration	67.8	16.4	.4	2.8	8.2	-4.1	4.7
Government public health activity	19.2	17.0	19.2	16.5	14.4	12.9	11.9
Research and construction	5.0	1.7	2.9	2.4	3.7	5.8	7.2
Research	2.9	12.0	8.1	5.7	6.7	7.7	8.7
Construction of medical facilities	6.4	-5.2	-1.2	-3	1.2	4.2	5.9
Addendum: Gross National Product	10.3	11.8	12.5	12.2	11.3	10.4	9.7

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Table A-2. Personal Health Care Expenditures, by Type of Expenditure and Source of Funds
(Billions)

Source of Funds	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Personal Health Care							
Total	\$139.1	\$157.1	\$177.1	\$182.6	\$188.6	\$195.6	\$202.7
Private funds	84.5	94.9	106.1	109.2	112.7	117.0	121.1
Public funds	54.6	62.2	71.0	73.4	75.9	78.6	81.7
Federal government	38.6	43.8	49.9	51.5	53.3	55.5	58.0
State and local government	15.9	18.4	21.1	21.9	22.6	23.1	23.6
Hospital Care							
Total	\$63.5	\$71.8	\$80.2	\$82.6	\$85.3	\$88.9	\$92.1
Private funds	28.9	32.1	35.5	36.4	37.6	39.5	40.8
Public funds	34.6	39.6	44.7	46.2	47.7	49.4	51.3
Federal government	25.4	28.9	32.7	33.8	34.9	36.3	37.9
State and local government	9.1	10.7	12.0	12.4	12.8	13.1	13.3
Physicians' Services							
Total	\$29.4	\$34.0	\$38.0	\$39.3	\$40.6	\$42.0	\$43.5
Private funds	21.8	25.4	28.1	29.0	30.0	31.0	32.1
Public funds	7.6	8.6	9.9	10.3	10.6	11.0	11.4
Federal government	5.6	6.4	7.4	7.7	8.0	8.3	8.7
State and local government	2.0	2.2	2.5	2.6	2.6	2.7	2.7
Other Personal Health Care							
Total	\$46.2	\$51.4	\$58.8	\$60.7	\$62.6	\$64.8	\$67.2
Private funds	33.8	37.4	42.5	43.7	45.0	46.5	48.1
Public funds	12.4	14.0	16.4	16.9	17.6	18.3	19.0
Federal government	7.6	8.5	9.8	10.1	10.4	10.9	11.4
State and local government	4.8	5.5	6.6	6.9	7.1	7.4	7.6

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Table A-3. Personal Health Care Expenditures per Capita, by Type of Expenditure and Source of Funds

Source of Funds	Twelve-month Period Ending						
		June		September	December	March	June
	1977	1978	1979	1979	1979	1979	1980
Personal Health Care							
Total	\$633	\$709	\$792	\$815	\$840	\$869	\$898
Private funds	384	428	474	487	502	520	536
Public funds	248	281	317	327	338	349	362
Federal government	176	198	223	230	237	247	257
State and local government	72	83	94	98	101	103	105
Hospital Care							
Total	\$289	\$324	\$359	\$369	\$380	\$395	\$408
Private funds	131	145	159	163	168	175	181
Public funds	157	179	200	206	212	219	227
Federal government	116	130	146	151	155	161	168
State and local government	42	48	54	55	57	58	59
Physicians' Services							
Total	\$134	\$153	\$170	\$175	\$181	\$187	\$193
Private funds	99	114	125	130	133	138	142
Public funds	34	39	44	46	47	49	50
Federal government	25	29	33	34	36	37	38
State and local government	9	10	11	12	12	12	12
Other Personal Health Care							
Total	\$210	\$232	\$263	\$271	\$279	\$288	\$298
Private funds	154	169	190	195	201	207	213
Public funds	57	63	73	76	78	81	84
Federal government	35	38	44	45	46	48	51
State and local government	22	25	29	31	32	33	34
Addendum: population (thousands)	219,827	221,690	223,656	224,124	224,538	225,041	225,657

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Table A-4. Percentage Distribution by Source of Funds, for Selected Types of Personal Health Care Expenditures

Source of Funds	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Personal Health Care							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private funds	60.8	60.4	59.9	59.8	59.8	59.8	59.7
Public funds	39.2	39.6	40.1	40.2	40.2	40.2	40.3
Federal government	27.8	27.9	28.2	28.2	28.3	28.4	28.6
State and local government	11.5	11.7	11.9	12.0	12.0	11.8	11.7
Hospital Care							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private funds	45.5	44.8	44.3	44.1	44.1	44.4	44.3
Public funds	54.5	55.2	55.7	55.9	55.9	55.6	55.7
Federal government	40.1	40.3	40.8	40.9	40.9	40.8	41.2
State and local government	14.4	15.0	14.9	15.0	15.0	14.7	14.5
Physicians' Services							
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private funds	74.3	74.6	73.9	73.9	73.8	73.9	73.9
Public funds	25.7	25.4	26.1	26.1	26.2	26.1	26.1
Federal government	18.9	18.9	19.6	19.6	19.7	19.8	20.0
State and local government	6.8	6.5	6.6	6.6	6.5	6.3	6.2
Other Personal Health Care							
Total	100.0%	*100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Private funds	73.1	72.8	72.2	72.1	71.9	71.8	71.7
Public funds	26.9	27.2	27.8	27.9	28.1	28.2	28.3
Federal government	16.5	16.5	16.6	16.6	16.7	16.8	17.0
State and local government	10.4	10.6	11.2	11.3	11.4	11.4	11.3

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Table A-5. Percentage Change In Constant-Dollar Personal Health Care Expenditures and Related Price Indexes,
And Factors Affecting Growth of Personal Health Care Expenditures

	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Growth in constant-dollar personal health care expenditures	3.5%	4.6%	3.8%	3.6%	3.6%	3.8%	3.7%
Hospital care	4.1	4.6	2.5	2.0	2.3	2.7	3.1
Physicians' services	1.1	6.2	3.0	3.4	3.9	4.1	4.0
Dentists' services	6.7	3.8	5.9	5.8	5.5	5.3	4.6
Other professional services	8.2	3.5	6.6	6.3	5.7	5.7	5.3
Drugs and medical sundries	2.8	2.7	3.5	3.9	3.1	2.7	2.0
Eyeglasses and appliances	2.8	.9	8.6	5.6	3.5	2.8	.4
Nursing home care	5.6	7.1	8.2	8.2	8.1	7.5	7.0
Other personal health care	-2.5	-2.7	6.2	3.8	3.3	4.5	6.7
Growth in price indexes for personal health care expenditures							
Implicit price deflator	8.2%	8.1%	8.5%	9.0%	9.3%	9.8%	10.5%
Fixed-weight price index	8.2	8.1	8.5	9.0	9.3	9.8	10.3
Growth of personal health care expenditures	12.0%	13.0%	12.7%	12.8%	13.2%	13.9%	14.5%
Allocation among factors affecting growth	100%	100%	100%	100%	100%	100%	100%
Prices	70	64	69	72	72	72	73
Population	7	7	7	7	7	7	7
Intensity (residual)	23	29	24	21	21	21	20
Addenda:							
Personal health care expenditures (billions of dollars)	\$139.1	\$157.1	\$177.1	\$182.6	\$188.6	\$195.6	\$202.7
Constant-dollar personal health care expenditures (billions of 1972 dollars)	\$97.9	\$102.4	\$106.3	\$107.2	\$108.1	\$109.4	\$110.3
Price indexes for personal health care expenditures (1972=100)							
Implicit price deflator	142.0	153.5	166.5	170.4	174.4	178.9	183.9
Fixed-weight price index	141.9	153.4	166.5	170.3	174.3	178.8	183.7

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Section B. Community Hospital Statistics

Most facets of community hospital² experience during the year ending June 1980 followed upward trends in growth which began during calendar year 1979.

Community hospital operating expenses during the year ending June 1980 were \$73 billion (Table B-1), 14.7 percent more than during the previous year (Table B-2). More than half of the dollar increase was due to a higher labor bill, up 14.4 percent from the previous year. Nonlabor expenses also increased, at a rate of 15.1 percent. Total expenses and its labor and nonlabor components all have shown increasing rates of growth since the year ending June 1979. Much of the growth of expenses is attributable to increased inflation of input prices, which reached an annual rate of 11.4 percent (see the National Hospital Input Index in Section C), but increased use of hospital services also had a significant effect.

Growth of hospital utilization increased in the year ending June 1980. Admissions were 3.2 percent higher than in the previous year, and inpatient days were 2.7 percent higher, as were adjusted patient days (adjusted for use of outpatient facilities). In keeping with long-run trends, the number of beds increased at a lower rate—0.4 percent—and the average length of stay was down to 7.1 days. Continuing a relatively recent upward trend, the adult occupancy rate was up to 75.3 percent.

Expense per patient day averaged \$240 in the year ending June 1980, an annual increase of 11.7 percent. This growth can be attributed to changes in the prices of inputs and to change in "intensity"—the mix and amounts of goods and services employed per day. Using the National Hospital Input Price Index to approximate the change in input prices (see Section C), the growth of "intensity" appears to have decreased to almost zero by the year ending June 1980; and growth of intensity per admission appears to have become negative.

Average full-time-equivalent (FTE) employment in community hospitals was 3.7 percent higher in the

year ending June 1980 than it had been in the previous year. The ratio of adjusted patient days to FTE personnel continued to fall: FTE employment was growing more rapidly than were adjusted patient days. This phenomenon may be due in part to the definition of FTE by the American Hospital Association (AHA). The AHA assumes that two part-time workers equal one FTE employee, that is, that a part-time employee works half as many hours as a full-time employee. Recently, part-time employment has been growing more rapidly than has full-time employment. Therefore, if part-time employees work less than half the average full-time workweek, FTE employment will overstate the actual growth of workhours (and vice-versa). Unfortunately, the actual trends in length of workweek for both full-time and part-time employees cannot be determined from existing national data.

The employment data shown in this section are not strictly comparable to data shown in Section D, because these data refer to *community* hospitals, while the data in Section D refer to *private* hospitals. *Private hospitals*, the focus of government surveys, consist of all non-government not-for-profit hospitals and all for-profit hospitals. These hospitals number about 4,413 (including 188 long-term hospitals) and account for roughly 58 percent of all hospital beds, 65 percent of employment and 67 percent of total expenses. *Community hospitals*, surveyed by the AHA, consist of all nonfederal short-term general and other special hospitals, numbering about 5,851 and accounting for 70 percent of all hospital beds, 81 percent of employment and 82 percent of total expenses.

The two sets intersect to a great degree, as shown below. For example, private community hospitals accounted for 98 percent of all private hospital expenses and for 72 percent of total community hospital expenses. Public community hospitals accounted for 77 percent of total public hospital expenses and for 28 percent of total community hospital expenses.

Control	Community Hospitals	Other Hospitals	All Hospitals
Private	98/ 72	2/ 13	100/ 67
Public	77/ 28	23/ 87	100/ 33
All types	91/100	9/100	100/100

Each table entry shows expenses of the hospitals in each category, both as a percentage of the row total and as a percentage of the column total, in the form "r/c." The source of this information is *Hospital Statistics* (1979 Edition), AHA.

(For further information on community hospital statistics, see "Hospital Indicators," a regular feature of the AHA's *Hospitals* magazine.)

² Community hospitals consist of "all nonfederal short-term general and other specific hospitals—excluding hospital units of institutions (after 1971)—whose facilities and services are available to the public" (*Hospital Statistics*, 1978 edition; AHA, Chicago). Data on the operation of community hospitals are collected monthly by the AHA through its National Hospital Panel Survey of a sample of community hospitals (stratified by size and geographic location) drawn from the membership of the AHA.

For the most recent comparison of the panel survey data and statistics from the AHA Annual Survey of Hospitals, see Bisbee and Bachofer.

Table B-1. Selected Community Hospital Statistics

Statistic	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Operating expenses:							
Total (millions)	\$49,335	\$56,304	\$63,611	\$65,612	\$67,833	\$70,354	\$72,975
Labor (millions)	28,469	32,320	36,512	37,647	38,906	40,329	41,788
Nonlabor (millions)	20,866	23,984	27,099	27,965	28,927	30,025	31,187
Inpatient expense (millions)	43,328	49,234	55,368	57,116	59,060	61,227	63,495
Per patient day	170.59	191.98	214.52	220.22	226.46	232.29	239.53
Per admission	1,247.51	1,387.78	1,539.34	1,575.64	1,617.74	1,659.88	1,711.22
Utilization:							
Admissions (thousands)	34,732	35,477	35,969	36,249	36,508	36,887	37,105
Inpatient days (thousands)	253,994	256,449	258,102	259,361	260,792	263,579	265,079
Adult length of stay (days)	7.3	7.2	7.2	7.2	7.1	7.1	7.1
Surgical operations (thousands)	17,401	17,752	18,354	18,480	18,640	18,847	19,011
Outpatient visits (thousands)	204,150	212,785	211,067	210,494	211,370	214,145	214,789
Beds (thousands)	939	949	958	959	959	960	962
Adult occupancy rate	74.1%	74.0%	73.8%	74.1%	74.5%	75.0%	75.3%
Full-time equivalent personnel (FTE)							
Total (thousands)	2,498	2,606	2,700	2,723	2,747	2,771	2,801
Per bed	2.7	2.7	2.8	2.8	2.9	2.9	2.9
Adjusted patient days per FTE	116	113	110	109	109	109	109
Addendum:							
Adjusted patient days (thousands)	289,210	293,272	296,525	297,942	299,531	302,869	304,657

Hospital Data Center, American Hospital Association

Table B-2. Annual Percentage Change in Selected Community Hospital Statistics

Statistic	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
@ Annual percentage change							
Operating expenses:							
Total	16.8	14.1	13.0	13.1	13.4	14.1	14.7
Labor		13.5	13.0	12.9	13.2	14.0	14.4
Nonlabor		14.9	13.0	13.3	13.7	14.2	15.1
Inpatient expense	16.5	13.6	12.5	12.7	13.3	14.0	14.7
Per patient day	16.0	12.5	11.7	11.6	11.5	11.3	11.7
Per admission	14.9	11.2	10.9	10.5	10.4	10.6	11.2
Utilization:							
Admissions	1.4	2.1	1.4	2.0	2.7	3.0	3.2
Inpatient days	.5	1.0	.6	1.0	1.6	2.4	2.7
Adult length of stay	-.9	-1.2	-.7	-1.0	-1.0	-.6	-.4
Surgical operations	2.3	2.0	3.4	3.8	3.9	3.6	3.6
Outpatient visits	2.8	4.2	-.8	-1.3	-.3	1.1	1.8
Beds	1.7	1.1	1.0	.7	.6	.4	.4
Adult occupancy rate	-.8*	-.1*	-.2*	.2*	.8*	1.3*	1.5*
Full-time equivalent personnel (FTE)							
Total	5.5	4.3	3.6	3.5	3.5	3.5	3.7
Per bed	3.7	3.1	2.7	2.7	2.9	3.1	3.3
Adjusted patient days per FTE	-4.5	-2.8	-2.4	-2.1	-1.7	-.9	-1.0
Addendum:							
Adjusted patient days	.8	1.4	1.1	1.3	1.7	2.5	2.7

* absolute change, rather than percentage change

Hospital Data Center, American Hospital Association

Section C. Health Care Prices

Prices paid by providers of care and prices paid by consumers of care both showed signs of increased growth during the year ending June 1980.

Prices paid by hospitals, as measured by the National Hospital Input Price Index, were 11.4 percent higher during the year ending June 1980 than they had been during the previous year. These figures are part of a trend of increasing price inflation that began during calendar year 1978 (Table C-1). The increased growth of labor prices—10.4 percent—was a net effect of two opposing trends. An upward trend in the growth of wages and salaries per full-time equivalent employee offset the downward trend in the growth of fringe benefits per full-time equivalent employee. The inflation of nonlabor prices—12.7 percent for the year ending June 1980—led by accelerating inflation of energy prices, became the dominant force behind increases in the growth of the aggregate index. With some exceptions, prices of other nonlabor inputs had been showing signs of stable or slowing inflation through calendar year 1978, but increased in growth thereafter.

HCFA has also constructed an index of nursing home prices, comparable in theory and in construction to the National Hospital Input Price Index. For the year ending June 1980, this index was 9.7 percent higher than for the previous year (Table C-1). Again, nonlabor prices, notably for fuel, were the source of the increase in inflation. Nursing home wages and salaries are sensitive to changes in the minimum wage, for more than a third of employees earn wages at or near the Federal minimum. Because the 1980 change in the minimum wage was proportionately less than that in 1979, growth of the wage and salary part of the nursing home index was lower than it had been in 1979.

Medical prices paid by consumers during the year ending June 1980 were 10.3 percent higher than during

the previous year. This growth in prices—measured by the Consumer Price Index for All Urban Consumers (Table C-2)—reflected a steady increase in the rate of inflation that began during the year ending September 1979 (Table C-3). Physicians' services cost 10.0 percent more than they did during the year ending June 1979, and hospital room rates were up 11.6 percent. The prices of medical commodities (mostly drugs) grew 7.9 percent, extending a slow but steady upward trend in inflation. Historically, medical commodity prices have grown less than have medical service prices.

Unlike historical periods, recent twelve-month averages of the CPI for all items grew more rapidly than did the CPI for medical care or the CPI for medical care services. Historical spreads of up to eight percentage points between the rates of growth of the CPI for all items and the hospital room CPI (one component of the CPI for medical care services) had disappeared by calendar year 1979. Much of the disparity in inflation rates can be explained by the fact that food, gasoline and housing prices—all of which had been growing at increasing rates—affect the health care sector much less than they affect the typical family for which the CPI was designed. Other influences upon medical care prices include the industry's Voluntary Effort (VE) program to hold down the rate of growth of prices and expenditures for medical care, and Federal, State, and local government hospital cost containment efforts.

(For more information on prices, see the reference section at the end of Trends, especially the article by Freeland et al. on the National Hospital Input Price Index and the Bureau of Labor Statistics Detailed CPI Report.)

Table C-1. The National Hospital Input Price Index and the National Nursing Home Input Price Index:
Average Levels and Annual Percentage Changes for Selected Components

Component	Twelve-month Period Ending						
	June		September 1979	December 1979	March 1979	June 1980	
	1977	1978					
Levels (1977 = 100)							
National Hospital Input Price Index	96.2	104.0	113.4	116.3	119.3	122.8	126.3
Labor	95.9	104.3	113.7	116.3	119.1	122.4	125.5
Wages and salaries	96.1	104.1	113.1	115.7	118.4	121.7	124.7
Fringe benefits	94.2	105.8	118.0	120.5	123.6	127.2	130.5
Nonlabor	96.6	103.5	113.0	116.2	119.7	123.5	127.4
National Nursing Home Input Price Index	96.8	104.1	113.6	116.1	118.7	121.5	124.6
Wages and salaries	97.3	104.2	113.6	115.7	117.8	120.0	122.5
Other	96.3	103.9	113.6	116.5	119.8	123.3	126.9
Annual Percentage Change							
National Hospital Input Price Index	8.3	8.1	9.0	9.6	10.1	10.9	11.4
Labor	9.1	8.8	9.0	9.1	9.5	10.2	10.4
Wages and salaries	8.2	8.3	8.6	8.9	9.2	10.0	10.3
Fringe benefits	15.9	12.3	11.5	10.7	10.4	10.8	10.6
Nonlabor	7.1	7.1	9.2	10.1	11.1	12.1	12.7
National Nursing Home Input Price Index	7.3	7.5	9.1	9.1	9.1	9.2	9.7
Wages and salaries	7.5	7.1	9.0	8.5	8.0	7.5	7.8
Other	7.0	7.9	9.3	9.8	10.4	11.2	11.7

Office of Research, Demonstrations, and Statistics
Health Care Financing Administration

Table C-2. Selected Average Consumer Price Indexes for All Urban Consumers
(Calendar Year 1967 = 100 Unless Noted)

Category	Twelve-month Period Ending						
	June			September 1979	December 1979	March 1979	June 1980
	1977	1978	1979				
All items	175.8	187.6	205.2	211.0	217.4	224.8	232.6
All items less medical care	174.8	186.2	203.8	209.6	216.1	223.5	231.2
Apparel and upkeep	151.0	156.9	162.8	164.6	166.6	169.3	172.2
Energy	198.6	213.1	237.2	255.2	275.9	302.6	327.8
Food	185.5	200.6	223.7	229.1	234.5	238.9	243.1
Housing: shelter	184.2	199.6	223.2	230.7	239.7	250.2	262.0
Medical care	193.5	210.7	229.1	234.3	239.7	245.9	252.7
Medical care services	206.8	225.9	246.4	252.2	258.3	265.3	272.9
Professional services	186.6	201.4	217.5	222.2	226.8	232.3	238.7
Physicians' services	197.2	214.5	232.8	238.2	243.6	249.4	256.1
Dental services	178.2	191.7	206.3	210.5	214.8	220.3	226.8
Other professional services *	---	---	107.6	109.5	111.1	113.4	116.5
Other medical care services **	231.5	255.6	281.3	288.5	296.4	305.3	314.2
Hospital and other medical services *	---	---	111.8	114.6	117.6	121.0	124.7
Hospital room	284.1	315.0	351.7	361.1	370.3	381.0	392.5
Other hospital and medical care services *	---	---	111.1	113.7	116.8	120.1	123.9
Medical care commodities	129.8	138.8	148.5	151.1	153.8	156.8	160.3
Prescription drugs	118.4	126.8	136.6	139.2	141.8	144.6	147.8
Nonprescription drugs and medical supplies *	---	---	106.8	108.6	110.5	112.7	115.2
Eyeglasses *	---	---	104.6	106.1	107.8	109.7	112.2
Internal and respiratory over-the-counter drugs	143.5	153.6	164.6	167.6	170.7	174.4	178.6
Nonprescription medical equipment and supplies *	---	---	106.2	107.8	109.4	111.3	113.3

* December 1977 = 100.0

** Includes hospital and other medical services (nursing homes), and health insurance (not shown separately).

Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Table C-3. Annual Percentage Change in Selected Average Consumer Price Indexes for All Urban Consumers

Category	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
All items	5.8	6.7	9.4	10.3	11.3	12.3	13.4
All items less medical care	5.6	6.5	9.5	10.4	11.4	12.5	13.4
Apparel and upkeep	4.5	3.9	3.8	4.0	4.4	5.0	5.8
Energy	8.0	7.3	11.3	17.9	25.2	33.8	38.2
Food	3.3	8.1	11.5	11.3	10.9	9.7	8.7
Housing: shelter	5.6	8.4	11.8	12.7	13.9	15.6	17.4
Medical care	9.6	8.9	8.7	9.1	9.3	9.7	10.3
Medical care services	10.1	9.2	9.1	9.5	9.7	10.1	10.8
Professional services	8.5	7.9	8.0	8.4	8.6	9.0	9.7
Physicians' services	10.2	8.8	8.5	8.9	9.2	9.4	10.0
Dental services	6.6	7.6	7.6	8.1	8.4	9.0	9.9
Other professional services					6.8	7.1	8.3
Other medical care services *	11.7	10.4	10.1	10.5	10.8	11.2	11.7
Hospital and other medical services					10.7	11.0	11.5
Hospital room	12.5	10.9	11.7	11.9	11.4	11.4	11.6
Other hospital and medical care services					10.3	10.7	11.5
Medical care commodities	6.0	6.9	7.0	7.1	7.2	7.4	7.9
Prescription drugs	5.4	7.1	7.7	7.7	7.8	7.8	8.2
Nonprescription drugs and medical supplies					6.7	7.1	7.9
Eyeglasses					5.5	6.2	7.3
Internal and respiratory over-the-counter drugs	6.6	7.0	7.2	7.3	7.4	7.8	8.5
Nonprescription medical equipment and supplies					6.0	6.2	6.7

* Includes hospital and other medical services (nursing homes), and health insurance (not shown separately).

Based on data from the Bureau of Labor Statistics (U.S. Department of Labor)

Section D. Employment, Hours, and Earnings in the Health Care Sector

The economic downturn in the United States continued to affect the growth of employment and hours in the private economy, but its effects upon the private health sector were considerably less, as measured by two separate surveys conducted by the Bureau of Labor Statistics.

Before discussing trends in employment, hours, and earnings in the private health sector,³ it is useful to examine the backdrop against which they occur. In the general private economy, employment and hours showed diminished rates of growth for the year ending June 1980. The sluggishness of the economy, illustrated by an annual growth of only 0.7 percent in the real Gross National Product, resulted in higher unemployment rates and in lower growth of wages (see Section E). According to the Bureau of Labor Statistics survey of private nonagricultural establishments, an average of 74.4 million full-and part-time jobs were held in the private nonfarm economy during the year ending June 1980 (Table D-1). This number was only 2.4 percent more than during the previous year, extending a downward trend in growth that began during the year ending March 1979 (Table D-2). The average workweek was 35.5 hours, down 0.8 percent from the previous year, and average hourly earnings were 7.9 percent higher—another downward trend, this one beginning during the year ending September 1979. In contrast, consumer prices measured by the CPI were 13.4 percent higher than in the previous year, and price growth was increasing (see Section C). The implication of these two trends is that “real” hourly earnings—those adjusted for price inflation were 4.8 percent lower in the year ending June 1980 than in the previous year. (However, hourly earnings do not take into account the value of fringe benefits, such as health insurance premiums and pension contributions.)

The BLS “Establishment Survey” shows that the private health care industry was less affected by the economic downturn than was the private economy as a whole (“all industries”). Growth of employment in health establishments slowed, as it did for all industries, but the rate of growth was still 4.2 percent, two percentage points above growth in all-industries employment. The workweek, although shorter to begin

with, also declined less, to 32.9 hours. Wage growth actually increased to 8.9 percent, although the dollar spread between average hourly earnings in the private health industry and in all industries remained roughly unchanged at one dollar. The shorter average workweek in the health industry can be attributed in part to the relative frequency of part-time jobs, while lower wages may be due to different overtime arrangements and different occupation mixes (as argued by Fuchs, for example).

Within the health industry, changes in employment, hours, and earnings growth varied with the type of establishment (Table D-2). For example, employment growth in offices of physicians, surgeons, and dentists was increasing or stable, while that in hospitals and in nursing homes was declining. The workweek in hospitals actually increased, while that in other establishments decreased. Wage growth increased in hospitals and in offices of physicians and surgeons, and decreased in nursing homes and offices of dentists. Workhours—nonsupervisory employment multiplied by average weekly hours—grew 4.0 percent in the health industry, compared to 1.3 percent for all industries. Within the health industry, workhours grew about 3.5 percent except in offices of dentists, where growth was 6.3 percent. Nonsupervisory payrolls—workhours multiplied by average hourly earnings—grew 13.2 percent in the private health sector, compared to 9.3 percent for all industries. Growth was 15.7 percent in offices of dentists; 13.3 percent in private hospitals; 12.4 percent in offices of physicians and surgeons; and 11.9 percent in nursing homes. These payroll growth rates are consistent with the growth of health expenditures (see the discussion in Section A), with the possible exception of nursing homes.

Due to the slowdown in general economic growth, employment of health professionals may have risen slightly as a proportion of all employed persons. This observation stems from a second survey, which is designed to yield information on unemployment and on demographic characteristics of the workforce. The “Household Survey,” or Current Population Survey (CPS) is a monthly survey of 56,000 households, and while its results are reliable for the primary objectives of the CPS, the sampling and nonsampling errors associated with employment estimates for some occupations are quite large, and the year-to-year change in these estimates is unreliable, particularly for such narrowly defined occupations as physicians (comprising less than 1 percent of the employed workforce).

³ The “private health sector” is defined by the 1972 Standard Industrial Classification (SIC) 80, and excludes establishments controlled by Federal, State, or local government.

Despite the limitations of the CPS in measuring employment of health professionals and workers, its data are of some use. First, they are the latest data available for employment by occupation. Second, unlike the Establishment Survey data in Table D-1, the estimates exclude the non-medical staff of health establishments (such as receptionists in physicians' offices) and include the medical staff of non-health establishments (such as industrial health unit nurses). The CPS estimates indicate that persons in health-related occupations comprised 4.9 percent of all employed persons during the year ending June 1980 (Table D-3). Growth of employment for these occupations was substantially higher than for the rest of the

economy, as has been true since 1972 (the earliest date for comparable health professional employment data from the CPS).

(For a more detailed discussion of employment in establishments, see the Monthly Labor Review and Employment and Earnings, monthly publications of the Bureau of Labor Statistics. Household data are also discussed in the latter, especially in the January issue. Further information on employment by occupation is available from the 1970 Census of Population and from Bureau of Health Manpower reports. See the reference section at the back of Trends for further details.)

Table D-1. Employment, Hours and Earnings in Private Health Service Establishments, by Selected Type of Establishment
(Employment in Thousands)

Type of Establishment	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Health services (SIC 80)							
Total employment	4,471.2	4,696.7	4,922.6	4,981.0	5,040.9	5,086.3	5,130.3
Nonsupervisory workers							
Employment	4,002.7	4,196.6	4,384.1	4,435.2	4,489.2	4,530.6	4,572.5
Average weekly hours	33.1	33.0	33.0	33.0	33.0	32.9	32.9
Average hourly earnings	\$4.26	\$4.57	\$4.96	\$5.06	\$5.17	\$5.28	\$5.40
Offices of physicians and surgeons (SIC 801)							
Total employment	630.6	662.5	696.6	705.5	714.6	725.9	735.8
Nonsupervisory workers							
Employment	529.0	550.0	571.7	578.3	585.2	593.8	602.0
Average weekly hours	33.4	33.2	33.0	32.8	32.7	32.5	32.4
Average hourly earnings	\$4.42	\$4.78	\$5.18	\$5.28	\$5.39	\$5.51	\$5.63
Offices of dentists (SIC 802)							
Total employment	276.8	294.6	307.3	311.4	315.8	323.1	329.0
Nonsupervisory workers							
Employment	248.7	259.9	267.7	271.5	274.9	280.8	285.6
Average weekly hours	28.6	28.7	29.0	28.9	28.9	28.9	28.9
Average hourly earnings	\$4.33	\$4.64	\$4.89	\$5.01	\$5.13	\$5.22	\$5.32
Nursing and personal care facilities (SIC 805)							
Total employment	834.3	887.2	948.6	963.5	978.8	984.1	988.5
Nonsupervisory workers							
Employment	758.4	802.8	855.0	868.0	882.0	886.2	890.1
Average weekly hours	31.1	31.1	31.0	31.0	30.9	30.9	30.9
Average hourly earnings	\$3.18	\$3.41	\$3.72	\$3.80	\$3.87	\$3.94	\$4.01
Hospitals (SIC 806)							
Total employment	2,418.0	2,508.6	2,598.4	2,622.4	2,647.5	2,662.0	2,679.2
Nonsupervisory workers							
Employment	2,190.5	2,283.4	2,372.1	2,394.0	2,418.1	2,433.3	2,452.0
Average weekly hours	34.2	34.0	34.1	34.1	34.2	34.2	34.2
Average hourly earnings	\$4.50	\$4.85	\$5.26	\$5.37	\$5.48	\$5.61	\$5.75
Addendum: all private nonagricultural establishments							
Total employment	65,717	69,125	72,667	73,344	73,870	74,313	74,436
Nonsupervisory workers							
Employment	53,848	56,628	59,445	59,966	60,358	60,676	60,702
Average weekly hours	36.0	35.9	35.8	35.7	35.7	35.6	35.5
Average hourly earnings	\$5.05	\$5.45	\$5.93	\$6.05	\$6.17	\$6.28	\$6.40

* 1972 Standard Industrial Classification (SIC)

Based on data from the Establishment Survey, Bureau of Labor Statistics (U.S. Department of Labor)

Table D-2. Annual Percentage Change in Employment, Hours and Earnings in Private Health Service Establishments, By Selected Type of Establishment

Type of Establishment	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Health services (SIC 80)							
Total employment	5.6	5.0	4.8	4.8	4.8	4.5	4.2
Nonsupervisory workers							
Employment	5.1	4.8	4.5	4.5	4.7	4.5	4.3
Average weekly hours	-.6	-.3	.0	.0	.0	-.6	-.3
Average hourly earnings	7.6	7.3	8.5	8.4	8.4	8.4	8.9
Offices of physicians and surgeons (SIC 801)							
Total employment	5.7	5.1	5.1	5.1	5.2	5.6	5.6
Nonsupervisory workers							
Employment	4.8	4.0	3.9	4.1	4.4	4.9	5.3
Average weekly hours	.6	-.6	-.6	-.9	-1.2	-1.8	-1.8
Average hourly earnings	8.3	8.1	8.4	8.2	8.2	8.5	8.7
Offices of dentists (SIC 802)							
Total employment	7.8	6.4	4.3	4.7	5.2	6.5	7.1
Nonsupervisory workers							
Employment	7.7	4.5	3.0	4.2	4.9	6.3	6.7
Average weekly hours	-1.0	.3	1.0	.0	-.3	-.7	-.3
Average hourly earnings	7.7	7.2	5.4	7.1	9.1	9.2	8.8
Nursing and personal care facilities (SIC 805)							
Total employment	6.5	6.3	6.9	6.8	6.7	5.4	4.2
Nonsupervisory workers							
Employment	6.4	5.9	6.5	6.4	6.5	5.3	4.1
Average weekly hours	-.3	.0	-.3	-.6	-1.0	-.6	-.3
Average hourly earnings	7.4	7.2	9.1	8.9	8.4	7.9	7.8
Hospitals (SIC 806)							
Total employment	4.6	3.7	3.6	3.6	3.7	3.3	3.1
Nonsupervisory workers							
Employment	4.0	4.2	3.9	3.8	3.8	3.5	3.4
Average weekly hours	-1.4	-.6	.3	.3	.3	.3	.3
Average hourly earnings	7.4	7.8	8.5	8.5	8.5	8.7	9.3
Addendum: all private nonagricultural establishments							
Total employment	3.8	5.2	5.1	4.7	4.1	3.4	2.4
Nonsupervisory workers							
Employment	3.7	5.2	5.0	4.5	3.9	3.1	2.1
Average weekly hours	-.6	-.3	-.3	-.6	-.3	-.8	-.8
Average hourly earnings	7.7	7.9	8.8	8.6	8.4	8.1	7.9

* 1972 Standard Industrial Classification (SIC)

Based on data from the Establishment Survey, Bureau of Labor Statistics (U.S. Department of Labor)

Table D-3. Employment of Health Professionals and Workers, by Selected Occupation
(Thousands of Persons Employed)

Occupation Classification	Twelve-month Period Ending						
	June			September 1979	December 1979	March 1979	June 1980
	1977	1978	1979				
All health occupations	4,097	4,366	4,543	4,581	4,627	4,688	4,758
Practitioners	685	747	771	779	787	785	783
Medical and osteopathic physicians	373	416	431	430	431	433	436
Dentists	105	112	123	129	131	132	135
Pharmacists	129	139	134	133	135	129	123
Nurses, dieticians and therapists	1,243	1,335	1,426	1,464	1,488	1,511	1,541
Registered nurses	1,020	1,100	1,173	1,206	1,223	1,248	1,282
Therapists	176	186	201	203	208	205	203
Health technologists and technicians	450	481	506	521	534	545	563
Clinical laboratory	191	211	201	209	217	221	231
Radiologic	83	87	106	106	104	102	105
Health service workers	1,719	1,803	1,840	1,817	1,818	1,847	1,871
Nursing aides, orderlies and attendants	994	1,042	1,021	1,014	1,024	1,055	1,074
Practical nurses	368	378	397	382	376	371	375
Health aides, excluding nursing	234	256	284	284	282	292	290
Dental assistants	124	127	138	136	134	130	134
Addenda: total civilian employment	88,829	92,529	95,825	96,437	96,935	97,661	97,813
All health occupations, as a percent of total employment	4.6%	4.7%	4.7%	4.8%	4.8%	4.8%	4.9%

Based on data from the Current Population Survey, Bureau of Labor Statistics (U.S. Department of Labor)

Section E. Selected National Economic Indicators

To provide the backdrop of national economic activity against which trends in health care prices, utilization, and expenditures can be viewed, this section diverges from the previous focus on the health care sector to discuss national indicators of output, employment, and prices.

Output

The Gross National Product (GNP)—one measure of the dollar value of the output of the U.S. economy was \$2.5 trillion in the year ending June 1980 (Table E-1). Growth of the GNP, 9.7 percent, represented a sharp departure from the recent growth range of 11-13 percent (Table E-2), and was considerably slower than the annual growth of national health expenditures. Unlike the growth of national health expenditures, growth of the GNP is influenced heavily by international flows of goods and services and by changes in business inventories.

Commerce Department analysts also estimate "real" GNP (also called constant-dollar or price-deflated GNP). This measure specifically removes the effects of price change from the valuation of goods and services produced, so that growth of the real GNP reflects the change of the "physical" output of the economy. That growth slowed to a rate of 0.7 percent for the year ending June 1980, reflecting the stagnation and recession in the U.S. economy during the first half of 1980.

The GNP implicit price deflator reflects the changes of prices and of the composition of output since 1972. This measure covers many items—such as construction—not covered by health-related price measures, and it subsumes consumer prices, wholesale prices, import prices, and so on. The deflator for the year ending June 1980 rose 9.0 percent from the previous year, part of a general upward trend which began in the year ending March 1977.

Employment, Hours and Earnings

Reflecting the slowing growth of the real GNP, the aggregate rate of unemployment rose to an average of 6.2 percent of the U.S. workforce during the year ending in June 1980, compared to 5.8 percent in the previous year. An average of 74 million full-time and part-time jobs were held in the private sector during the year ending in June 1980, an increase of 2.4 percent—a much slower growth than in previous years, again a reflection of the slowdown in growth of the real GNP. Continuing a long-run downward trend, the average workweek of nonsupervisory workers was 35.5 hours, and the rate of growth of average hourly earning dropped to a rate of 7.9 percent. Growth of employment in the private health sector slowed to a rate of 4.2 percent, while average hours and average hourly earnings proved more resistant to the economic slump (as noted in Section D).

Prices

Annual growth of consumer prices began an upward trend in the year ending June 1977, reaching a rate of 13.4 percent in the year ending June 1980. Particularly high rates of growth were found in the CPIs for housing (reflecting prices related to real estate) and for energy (reflecting petroleum prices). Annual growth in the Producer Price Index for finished consumer goods, a measure of wholesale prices and often an indicator of future consumer prices, increased to 14.2 percent.

(For a more detailed analysis of the business situation and for estimates of quarterly GNP, see the Survey of Current Business. Producer Price Indexes are discussed in Producer Prices and Price Indexes, and consumer prices are discussed in section C of Trends.)

Table E-1. Selected National Economic Indicators

	Twelve-month Period Ending						
	June			September	December	March	June
	1977	1978	1979	1979	1979	1979	1980
Gross National Product (GNP)							
Billions of dollars	\$1,792.0	\$2,004.3	\$2,254.1	\$2,313.4	\$2,368.8	\$2,426.0	\$2,473.9
Billions of 1972 dollars	\$1,303.0	\$1,369.5	\$1,421.7	\$1,428.2	\$1,431.6	\$1,435.2	\$1,431.7
Implicit price deflator (1972=100)	137.53	146.35	158.55	161.98	165.46	169.04	172.79
Employment, hours and earnings							
Unemployment rate, all workers	7.5%	6.4%	5.8%	5.8%	5.8%	5.8%	6.2%
Private nonagricultural establishments							
Total employment	65,717	69,125	72,667	73,344	73,870	74,313	74,436
Average weekly hours	36.0	35.9	35.8	35.7	35.7	35.6	35.5
Average hourly earnings	\$5.05	\$5.45	\$5.93	\$6.05	\$6.17	\$6.28	\$6.40
Private health care establishments *							
Total employment	4471.2	4696.7	4922.6	4981.0	5040.9	5086.3	5130.3
Average weekly hours	33.1	33.0	33.0	33.0	33.0	32.9	32.9
Average hourly earnings	\$4.26	\$4.57	\$4.96	\$5.06	\$5.17	\$5.28	\$5.40
Prices (1967=100)							
Consumer Price Index, all items	175.8	187.6	205.2	211.0	217.4	224.8	232.6
All items less medical care	174.8	186.2	203.8	209.6	216.1	223.5	231.2
Apparel and upkeep	151.0	156.9	162.8	164.6	166.6	169.3	172.2
Energy	198.6	213.1	237.2	255.2	275.9	302.6	327.8
Food	185.5	200.6	223.7	229.1	234.5	238.9	243.1
Housing: shelter	184.2	199.6	223.2	230.7	239.7	250.2	262.0
Medical care	193.5	210.7	229.1	234.3	239.7	245.9	252.7
Producer Price Index **, finished consumer goods	173.4	184.8	202.7	208.6	215.7	223.5	231.4

* 1972 Standard Industrial Classification (SIC)

** formerly called the "Wholesale Price Index"

Based on data from the Bureau of Economic Analysis (U.S. Department of Commerce), and from the Bureau of Labor Statistics (U.S. Department of Labor)

Table E-2. Annual Percentage Change in Selected National Economic Indicators

	Twelve-month Period Ending						
	1977	June 1978	1979	September 1979	December 1979	March 1979	June 1980
Gross National Product (GNP)							
Current dollars	10.3	11.8	12.5	12.2	11.3	10.4	9.7
Constant (1972) dollars	4.8	5.1	3.8	3.3	2.3	1.4	.7
Implicit price deflator	5.3	6.4	8.3	8.7	8.8	8.8	9.0
Employment, hours and earnings							
Unemployment rate, all workers	-.5 †	-1.1 †	-.6 †	-.4 †	-.2 †	-.1 †	.4 †
Private nonagricultural establishments							
Total employment	3.8	5.2	5.1	4.7	4.1	3.4	2.4
Average weekly hours	-.6	-.3	-.3	-.6	-.3	-.8	-.8
Average hourly earnings	7.7	7.9	8.8	8.6	8.4	8.1	7.9
Private health care establishments *							
Total employment	5.6	5.0	4.8	4.8	4.8	4.5	4.2
Average weekly hours	-.6	-.3	.0	.0	.0	-.6	-.3
Average hourly earnings	7.6	7.3	8.5	8.4	8.4	8.4	8.9
Prices							
Consumer Price Index, all items	5.8	6.7	9.4	10.3	11.3	12.3	13.4
All items less medical care	5.6	6.5	9.5	10.4	11.4	12.5	13.4
Apparel and upkeep	4.5	3.9	3.8	4.0	4.4	5.0	5.8
Energy	8.0	7.3	11.3	17.9	25.2	33.8	38.2
Food	3.3	8.1	11.5	11.3	10.9	9.7	8.7
Housing: shelter	5.6	8.4	11.8	12.7	13.9	15.6	17.4
Medical care	9.6	8.9	8.7	9.1	9.3	9.7	10.3
Producer Price Index **, finished consumer goods	3.5	6.6	9.7	10.7	12.0	13.1	14.2

* 1972 Standard Industrial Classification (SIC)

** formerly called the "Wholesale Price Index"

† absolute change, rather than percentage change

Based on data from the Bureau of Economic Analysis (U.S. Department of Commerce),
and from the Bureau of Labor Statistics (U.S. Department of Labor)

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Appendix: Contacts for Further Information

Under the general supervision of Charles Fisher, Acting Director, the following members of the Division of National Cost Estimates (Office of Research, Demonstrations, and Statistics; Health Care Financing Administration) have contributed to the estimates shown in this publication. They are listed by the specific type of service or source of funds for which they provided information.

Any member of the Division of National Cost Estimates may be contacted at this address:

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Data underlying the estimates shown in this publication have come from a number of sources inside and outside the Federal government. For further information about the tables and descriptions in *Trends* itself, contact the appropriate member of the Division of National Cost Estimates listed above. For information outside the scope of *Trends*, see the following.

National Hospital Panel Survey

Monthly data are published with a three- to four-month lag in *Hospitals J.A.H.A.*

contact: Peter Kralovec, AHA Hospital Data Center (312) 280-6523

Consumer Price Indexes

Monthly data are released around the 25th of the following month, and published in the *CPI Detailed Report*.

contact: BLS Division of Consumer Prices and Price Indexes (202) 272-5160

Producer Price Indexes

Monthly data are released on the first Friday of the following month, and are revised four months later. They are published in *Producer Prices and Price Indexes*.

contact: BLS Division of Industrial Prices and Price Indexes (202) 523-1222

Employment and unemployment (CPS or Household data)

Monthly data are released on the first Friday of the following month, and published in *Employment and Earnings*. Occupation data are published in the January issue.

contact: BLS Office of Current Employment Analysis (202) 523-1944

Employment, hours and earnings (Establishment or 790 data)

Monthly data are released on the first Friday of the following month, and are revised in two subsequent months and early in the fall. They are published in *Employment and Earnings*.

contact: BLS Division of Industry Employment Statistics (202) 523-1146

Gross National Product

Quarterly data are released around the 20th of the month following the end of the quarter, and are revised in two subsequent months and in July. They are published in *The Survey of Current Business*.

contact: BEA National Income and Wealth Division (202) 523-0824

Medicare and Medicaid data

Availability of data varies with the type of data requested.

contact: ORDS Statistical Information Services Branch (301) 594-6702

Abbreviations:

AHA—American Hospital Association
BEA—Bureau of Economic Analysis, U.S. Department of Commerce
BLS—Bureau of Labor Statistics, U.S. Department of Labor
ORDS—Office of Research, Demonstrations and Statistics; Health Care Financing Administration (U.S. Department of Health and Human Services)

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